
Federal Excise Taxes

Frequently Asked Questions

- [1] **What federal excise taxes apply to trucks used in my construction business?**
- [2] **What form do I use to pay the Heavy Highway Vehicle Use Tax?**
- [3] **Do I have to pay Heavy Highway Vehicle Use Tax for the whole year if I buy a truck in February that has not been used on the highway since the prior July?**
- [4] **Do I pay the Heavy Highway Vehicle Use Tax if I buy a truck that has been used on the highway since the prior July?**
- [5] **Do I have to pay the full amount of the Heavy Highway Vehicle Use Tax when I file the Form 2290?**
- [6] **How can I get more information about Heavy Highway Vehicle Use Tax?**
- [7] **Is there a federal excise tax on diesel fuel?**
- [8] **How do I recover diesel fuel taxes paid for my non-highway equipment?**
- [9] **How do I get more information about credits and refunds of fuel taxes?**

[1] What federal excise taxes apply to trucks used in my construction business?

There are two federal excise taxes that apply to trucks:

- There is an excise tax when you purchase a new truck. It is added to the purchase price of your truck. The dealer is responsible for collecting the tax from the purchaser and filing the tax form and remitting the tax to the government.
- There is also a federal excise tax imposed annually on heavy vehicles (trucks, truck tractors, and buses) that use public highways. The tax applies to vehicles with a gross vehicle weight (GVW) of 55,000 pounds or more. The GVW is the total loaded weight of the truck in combination with its trailer.

[Return to top](#)

[2] What form do I use to pay the Heavy Highway Vehicle Use Tax?

The tax is figured on a [Form 2290](#), Heavy Highway Vehicle Use Tax, which:

- Is filed once a year, per vehicle
- Has a normal tax year beginning July 1 of each year to June 30 of the next year
- Is paid at the beginning of the tax year
- Is to be filed by August 31
- Is identified with your Federal Employer Identification Number (EIN). You need this EIN even if you have no employees

[Return to top](#)

[3] Do I have to pay Heavy Highway Vehicle Use Tax for the whole year if I buy a truck in February that has not been used on the highway since the prior July?

No, the tax is prorated from the month you first use the truck until the end of June. Table I of the [Instructions for Form 2290](#) provides the prorated tax for each gross vehicle weight category, from the first month of use until the end of June. You have to file a Form 2290 by the end of the month following the month the truck was placed in service. In this example, if you first used the truck in February, the return would be dated March 31st. All of the vehicles first used in any one month are combined on one return.

[Return to top](#)

[4] Do I pay the Heavy Highway Vehicle Use Tax if I buy a truck that has been used on the highway since the prior July?

If you buy a used vehicle, the prior owner may have paid the tax on the vehicle. Ask the prior owner for a copy of his Schedule 1 to prove the tax was paid. If the previous owner did not pay the tax, you are responsible for it. State licensing offices require "proof of payment" of this tax before the state will register your vehicle. This proof of payment is Schedule 1 of [Form 2290](#).

[Return to top](#)

[5] Do I have to pay the full amount of the Heavy Highway Vehicle Use Tax when I file the Form 2290?

The highway use tax may be paid in full with the return or in equal installments. Installments are available only if the return is filed timely and only if each installment is paid timely. The first payment is made with the return, and the IRS will send notices when the other installments are due. See the [Instructions to Form 2290](#) to determine how to compute your installment payments.

[Return to top](#)

[6] How can I get more information about Heavy Highway Vehicle Use Tax?

Most of the information you might need is provided in the [Instructions to Form 2290](#), or you can call us at 1-800-829-1040 and ask to be connected to an Internal Revenue Agent who specializes in excise taxes.

[Return to top](#)

[7] Is there a federal excise tax on diesel fuel?

There is a federal excise tax on undyed (clear) diesel fuel. Clear diesel is designed for use in highway vehicles; however, diesel is a product that can be used in many ways. It can be either clear or dyed red. Red diesel is for off-road use only and is not taxed. It powers off-highway equipment, stationary equipment, and heats homes, offices, and shops.

Clear diesel is taxed and it powers highway vehicles but it is also used for many of the same off-road uses as red diesel. Because the tax on diesel was initiated to help cover the cost of building our federal highway system, the tax is considered to be a "road" tax. Therefore, any use of clear diesel fuel in a manner that is not connected to use in a licensed highway vehicle, can be non-taxable and subject to refund.

[Return to top](#)

[8] How do I recover diesel fuel taxes paid for my non-highway equipment?

If you purchased undyed fuel and paid federal fuel tax for non-highway equipment, you have the option to either:

- Claim an annual federal fuel tax credit using [Form 4136](#), Credit for Federal Tax Paid on Fuels when you file your Federal Income Tax return, or
- If you paid more than \$750 of federal fuel tax per quarter for fuel used off-highway, you may claim a refund by filing Form 8849, Claim for Refund of Excise Taxes

[Return to top](#)

[9] How do I get more information about credits and refunds of fuel taxes?

You can either call 1-800-829-1040 or see [Publication 378](#), Fuel Tax Credits and Refunds.

[Return to top](#)